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Resolution adopted by the General Assembly

[*on the report of the Second Committee (A/60/487)*]

60/188. Follow-up to and implementation of the outcome of the International Conference on Financing for Development

The General Assembly,

Recalling the International Conference on Financing for Development, held in Monterrey, Mexico, from 18 to 22 March 2002, and its resolutions 56/210 B of 9 July 2002, 57/250 of 20 December 2002, 57/270 B of 23 June 2003, 57/272 and 57/273 of 20 December 2002, 58/230 of 23 December 2003 and 59/225 of 22 December 2004, as well as Economic and Social Council resolutions 2002/34 of 26 July 2002, 2003/47 of 24 July 2003 and 2004/64 of 16 September 2004,

Taking note of the reports of the Secretary-General on the follow-up to and implementation of the outcome of the International Conference on Financing for Development, prepared in collaboration with the major institutional stakeholders,[1]

Taking note also of other relevant reports of the Secretary-General on the follow-up to and implementation of the outcome of the International Conference on Financing for Development,[2]

Having considered the *World Economic and Social Survey 2005: Financing for Development*,[3]

Recalling the 2005 World Summit Outcome,[4]

Having considered the summary by the President of the Economic and Social Council of the special high-level meeting of the Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development, held in New York on 18 April 2005,[5]

Welcoming the High-level Dialogue on Financing for Development held in New York on 27 and 28 June 2005 and the separate meeting on financing for development held within the framework of the High-level Plenary Meeting of the General Assembly on 14 September 2005,

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[1] A/59/822 and A/60/289.

[2] A/59/800, A/59/855 and A/60/289/Add.1.

[3] United Nations publication, Sales No. E.05.II.C.1.

[4] See resolution 60/1.

[5] A/59/823-E/2005/69.

Having considered the summary by the President of the General Assembly of the High-level Dialogue on Financing for Development,[6]

Reaffirming the commitment to the global partnership for development set out in the United Nations Millennium Declaration,[7] the Monterrey Consensus of the International Conference on Financing for Development,[8] the Plan of Implementation of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation")[9] and the 2005 World Summit Outcome,

Reaffirming also that each country must take primary responsibility for its own development and that the role of national policies and development strategies cannot be overemphasized for the achievement of sustainable development, and recognizing that national efforts should be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of developing countries, while taking into account national conditions and ensuring respect for national ownership strategies and sovereignty,

Recognizing the ongoing international efforts, contributions and discussions, such as the Action against Hunger and Poverty initiative, aimed at identifying and developing possible innovative and additional sources of financing for development from all sources, public and private, domestic and external, to increase and supplement traditional sources of financing within the context of the follow-up to the International Conference on Financing for Development, recognizing that some of the sources and their use fall within the realm of sovereign action,

Underlining that the increasing interdependence of national economies in a globalizing world and the emergence of rule-based regimes for international economic relations have meant that the space for national economic policy, that is, the scope for domestic policies, especially in the areas of trade, investment and industrial development, is now often framed by international disciplines, commitments and global market considerations; that it is for each Government to evaluate the trade-off between the benefits of accepting international rules and commitments and the constraints posed by the loss of policy space; and that it is particularly important for developing countries, bearing in mind development goals and objectives, that all countries take into account the need for appropriate balance between national policy space and international disciplines and commitments,

Reiterating the need to implement fully and build further on the commitments made and agreements reached at the International Conference on Financing for Development, and recognizing the strong link between financing for development and the achievement of the internationally agreed development goals, including the Millennium Development Goals,

Welcoming the recent decisions, commitments and proposals made in this regard to implement and build on the commitments made and agreements reached at the International Conference on Financing for Development,

1. *Underlines*, in accordance with the Monterrey Consensus:[8]

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[6] A/60/219.

[7] See resolution 55/2.

[8] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18–22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[9] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August–4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

(*a*) The importance of the implementation of the commitment to sound policies, good governance at all levels and the rule of law;

(*b*) The importance of the implementation of the commitment to create an enabling environment for mobilizing domestic resources and the importance of sound economic policies, solid democratic institutions responsive to the needs of the people and improved infrastructure as a basis for sustained economic growth, poverty eradication and employment creation;

(*c*) The importance, in order to complement national development efforts, of the implementation of the commitment to enhance the coherence and consistency of international monetary, financial and trading systems;

2. *Welcomes* the efforts by developing countries to adopt and implement national development strategies to achieve their national development priorities as well as the internationally agreed development goals and objectives, including the Millennium Development Goals; reaffirms the resolve, for those countries that have not yet done so, to adopt such strategies by 2006 and implement them; and also reaffirms the resolve to support these efforts as set out in the 2005 World Summit Outcome,[4] including through increased resources;

3. *Stresses* the importance of a universal, rule-based, open, non-discriminatory and equitable multilateral trading system, as well as meaningful trade liberalization, that can substantially stimulate development worldwide, benefiting countries at all stages of development; in that regard reaffirms its commitment to trade liberalization and to ensuring that trade plays its full part in promoting economic growth, employment and development for all; thus welcomes the decisions of the World Trade Organization to place the needs and interests of developing countries at the heart of its work programme and commits itself to their implementation; and in this regard emphasizes the importance of fulfilling the development dimension of the Doha work programme [10] and the successful completion of the Doha round as soon as possible;

4. *Notes* that, while foreign direct investment is a major source of financing development, the flow of such funds to developing countries and countries with economies in transition remains uneven, and in this regard calls upon developed countries to continue to devise source-country measures to encourage and facilitate the flow of foreign direct investment, inter alia, through the provision of export credits and other lending instruments, risk guarantees and business development services, and calls upon developing countries and countries with economies in transition to continue their efforts to create a conducive domestic environment for attracting investments by, inter alia, achieving a transparent, stable and predictable investment climate with proper contract enforcement and respect for property rights;

5. *Reaffirms* the Monterrey Consensus and recognizes that mobilizing financial resources for development and the effective use of those resources in developing countries and countries with economies in transition are central to a global partnership for development in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals. In this regard:

(*a*) Welcomes the increased resources that will become available as a result of the establishment of timetables by many developed countries to achieve the target

[10] See A/C.2/56/7, annex.

of 0.7 per cent of gross national product for official development assistance by 2015 and to reach at least 0.5 per cent of gross national product for official development assistance by 2010, as well as, pursuant to the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010, [11] 0.15 per cent to 0.20 per cent for the least developed countries by no later than 2010, and urges those developed countries that have not yet done so to make concrete efforts in this regard in accordance with their commitments;

(*b*) Recognizes the importance of official development assistance as a major source of financing development for many developing countries; stresses the need to translate increases in official development assistance into real increases in resources for national development strategies to achieve the national development priorities of developing countries as well as the internationally agreed development goals and objectives, including the Millennium Development Goals, taking into account the need for resource predictability, including budget support mechanisms where appropriate; welcomes recent efforts and initiatives to enhance the quality of aid and increase its impact, including the Paris Declaration on Aid Effectiveness; resolves to take concrete, effective and timely action to implement all agreed commitments on aid effectiveness, with clear monitoring and deadlines, including through further aligning assistance with countries' strategies, building institutional capacities, reducing transaction costs and eliminating bureaucratic procedures, making progress on untying aid, enhancing the absorptive capacity and financial management of recipient countries and strengthening the focus of development results; and encourages the broadest possible participation of developing countries in future work on aid effectiveness;

(*c*) Recognizes the importance of developing innovative sources of financing for development, provided that such sources do not unduly burden developing countries; notes that some countries will launch the International Financial Facility, some countries have launched the Facility's immunization pilot and some countries, utilizing their national authorities, will implement in the near future a contribution on airline tickets as a "solidarity contribution" to enable financing for development projects; and notes that other countries are considering whether and to what extent they will participate in those initiatives;

(*d*) Recognizes the progress achieved in this regard, and decides to give further consideration to the subject of innovative development financing from all sources, public and private, domestic and external;

(*e*) Emphasizes the importance of microcredit and microfinance in the eradication of poverty; highlights that the observance of the International Year of Microcredit 2005 has provided a significant opportunity to raise awareness, share best practices and further enhance financial sectors that support sustainable pro-poor financial services in all countries; in this regard urges member countries to put best practices into action; and invites the international community, including the United Nations system, to build on the momentum created by the Year;

(*f*) Acknowledges the vital role that the private sector can play in generating new investments, employment and financing for development;

6. *Stresses* the importance of investments in basic economic and social infrastructure, as set out in the Monterrey Consensus; notes that scaling up

[11] A/CONF.191/13, chap. II.

investment in infrastructure, alongside strong programmes for health and education, is a key element for faster growth and progress in reducing poverty; in this regard, calls for continued deepening and scaling up of support for infrastructure service delivery and removal of impediments in order to respond to the needs of developing countries, consistent with national development strategies; welcomes the progress made by the World Bank Group to strengthen public-private partnerships to leverage investment and maximize impact, including in the framework of the newly established Africa Infrastructure Consortium; and acknowledges the work of the World Bank in this area, including plans for a progress report to the Development Committee on the impact of fiscal space on growth and the achievement of the Millennium Development Goals;

7. *Emphasizes* the great importance of a timely, effective, comprehensive and durable solution to the debt problems of developing countries since debt financing and relief can be an important source of capital for economic growth and development, and also emphasizes that creditors and debtors must share responsibilities for preventing unsustainable debt situations;

8. *Welcomes*, in this regard, the recent proposal of the Group of Eight as endorsed by the Bretton Woods institutions at their 2005 annual meetings to cancel 100 per cent of the outstanding debt of eligible heavily indebted poor countries owed to the International Monetary Fund, the International Development Association and the African Development Fund, and to provide additional resources to ensure that the financing capacity of the international financial institutions is not reduced;

9. *Emphasizes* that corruption at all levels is a serious barrier to development and to effective resource mobilization and allocation; reaffirms the commitment expressed in the Monterrey Consensus to make the fight against corruption at all levels a priority; in this regard welcomes the entry into force on 14 December 2005 of the United Nations Convention against Corruption;[12] and reiterates its invitation to all Member States and competent regional economic integration organizations, within the limits of their competence, to ratify or accede to and fully implement the Convention as soon as possible;

10. *Recognizes* the work of the Financing for Development Office of the Secretariat in organizing, within its mandate, workshops, multi-stakeholder consultations, panel discussions and other activities aimed at better enabling member countries to implement their commitments as agreed in the Monterrey Consensus, and requests the Office, in collaboration with experts from the public and private sectors, academia and civil society, to continue its work in this area;

11. *Reiterates its request* to the Secretary-General to consult with the Director-General of the World Trade Organization in order to expand existing cooperation between the two organizations on issues related to financing for development and to build on the ad hoc modalities of interaction between the United Nations and the World Trade Organization that were undertaken in the preparations for the International Conference on Financing for Development held in 2002 by making better use of the possibilities offered by the existing framework of cooperation;

[12] Resolution 58/4, annex.

12. *Decides* in accordance with paragraph 73 of the Monterrey Consensus to hold a follow-up international conference on financing for development to review the implementation of the Consensus at a time between 2008 and 2009;

13. *Welcomes* the offer of the Government of Qatar to host the conference;

14. *Decides* that, in line with General Assembly resolution 57/270 B, the review conference should assess progress made; reaffirm goals and commitments; share best practices and lessons learned; and identify obstacles and constraints encountered, actions and initiatives to overcome them and important measures for further implementation, as well as new challenges and emerging issues;

15. *Also decides* to commence the preparatory process, including a decision on the exact date of the conference, at its sixty-first session;

16. *Resolves* to continue to make full use of the existing institutional arrangements for reviewing the implementation of the Monterrey Consensus, as set out in paragraph 69 of the Consensus and in line with resolution 57/270 B, including the high-level dialogues convened by the General Assembly and the spring meetings of the Economic and Social Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development;

17. *Stresses* the importance of the full involvement of all relevant stakeholders in the implementation of the Monterrey Consensus at all levels, and also stresses the importance of their full participation in the Monterrey follow-up process, in accordance with the rules of procedure of the General Assembly, in particular the accreditation procedures and modalities of participation utilized at the Conference and in its preparatory process;

18. *Decides* to include in the provisional agenda of its sixty-first session the item entitled "Follow-up to and implementation of the outcome of the International Conference on Financing for Development", and requests the Secretary-General to submit under that item an annual analytical assessment of the state of implementation of the Monterrey Consensus and of the present resolution, to be prepared in full collaboration with the major institutional stakeholders.

68th plenary meeting
22 December 2005